

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**

Your savings federally insured to at least \$100,000  
and backed by the full faith and credit of the United States Government

# **NCUA**

National Credit Union Administration, a U.S. Government Agency

## **FINANCIAL HIGHLIGHTS JANUARY 31, 2008**

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

## **NCUSIF FINANCIAL HIGHLIGHTS**

### **January 31, 2008**

#### **Balance Sheet:**

Prepaid & Deferred Charges — is \$1.2 million for January. \$7.0 million was transferred to the operating fund to cover 52.0% of the agency's operating costs. January's actual operating costs were \$5.8 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

CU Contributed Capital — increase of \$46.2 million is primarily for a converted credit union funding the initial 1% capitalization deposit.

NCUSIF Equity — increased to 1.30% for January. The equity ratio is based upon an adjusted insured share base of \$565.5 billion at December 31, 2007.

#### **Statement of Revenue and Expense:**

Investment Income — is approximately \$524.8 thousand less than the previous month due to falling interest rates.

NCUSIF Total Operating Expense — of \$5.8 million includes \$31.1 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
BALANCE SHEET  
JANUARY 31, 2008

ASSETS	JANUARY 2007	DECEMBER 2007	JANUARY 2008
Investments:			
U.S. Government Securities	\$6,964,330,118.45	\$7,365,747,949.37	\$7,400,111,669.91
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	13,000,000.00	0.00	0.00
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Total Advances to Credit Unions	13,000,000.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	0.00	153,788.57	1,081.44
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	13,245,744.34	65,884,480.35	65,163,226.87
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Total Other Receivables	13,245,744.34	66,038,268.92	65,164,308.31
Cash	5,438.02	382,876.93	5,836.30
Interest Receivable	56,747,085.14	60,051,389.33	62,031,832.44
Prepaid & Deferred Charges	1,483,920.56	0.00	1,222,793.35
Leased Assets	733,503.38	402,853.44	375,998.68
Other	22,393,262.02	21,119,766.45	21,007,720.18
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TOTAL ASSETS	\$7,071,939,071.91	\$7,513,743,104.44	\$7,549,920,159.17
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,277,596.24	\$4,892,661.54	\$5,167,196.24
Other	0.00	31,155,465.98	0.00
Check Clearing Accounts	15,484.08	1,628.97	1,628.97
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Total Current Liabilities	\$5,293,080.32	36,049,756.49	5,168,825.21
Provision for CU Losses (Reserves)	\$70,874,936.41	215,780,199.41	215,543,938.91
Lease Liabilities	\$716,842.39	443,307.39	354,174.02
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TOTAL LIABILITIES	\$76,884,859.12	\$252,273,263.29	\$221,066,938.14
EQUITY			
CU Contributed Capital	\$5,302,273,849.24	\$5,585,256,383.76	\$5,631,464,127.25
Retained Earnings	\$1,692,780,363.55	1,676,213,457.39	1,697,389,093.78
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TOTAL EQUITY	\$6,995,054,212.79	\$7,261,469,841.15	\$7,328,853,221.03
TOTAL LIABILITIES & EQUITY	\$7,071,939,071.91	\$7,513,743,104.44	\$7,549,920,159.17
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending January 31, 2008

	JAN 07	DEC 07	JAN 08
1. Investments/Total Assets	98.48%	98.03%	98.02%
2. Total Equity/Insured Shares	1.31%	1.29%	1.30%
3. Prov. for Losses/CU Capital	1.34%	3.86%	3.83%
4. Non-Earning/Total Assets	1.02%	1.69%	1.71%
5. Available Asset Ratio	1.28%	1.29%	1.31%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING JANUARY 31, 2008

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2008	CY TO DATE BUDGETED 2008	CY TO DATE 2007
Investment Income	\$26,881,032.32	\$24,700,000.00	\$26,881,032.32	\$24,700,000.00	\$26,195,947.62
Other Income	77,622.39	75,000.00	\$77,622.39	75,000.00	142,645.89
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Total Income	26,958,654.71	24,775,000.00	26,958,654.71	24,775,000.00	26,338,593.51
EXPENSE					
Employee Pay	4,033,828.35	4,246,383.70	4,033,828.35	4,246,383.70	\$4,086,494.68
Employee Benefits	1,029,875.37	1,159,624.58	1,029,875.37	1,159,624.58	1,057,998.24
Employee Travel	142,822.24	668,035.49	142,822.24	668,035.49	25,460.46
Rent/Communications/Utilities	57,702.48	180,594.97	57,702.48	180,594.97	73,935.61
Administrative Costs	458,207.68	513,020.57	458,207.68	513,020.57	359,497.30
Contracted Services	29,518.59	380,493.13	29,518.59	380,493.13	(87,306.85)
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Subtotal NCUA Operating Exp.	5,751,954.71	7,148,152.44	5,751,954.71	7,148,152.44	5,516,079.44
AMAC Expense	0.00	1,000.00	0.00	1,000.00	91.99
Training Expense	3,404.88	100,000.00	3,404.88	100,000.00	40,571.92
Leasing Expense	27,780.36	30,667.00	27,780.36	30,667.00	28,550.99
Other Insurance Expense	(121.63)	3,000.00	(121.63)	3,000.00	3,113.84
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Total Operating Exp.	5,783,018.32	7,282,819.44	5,783,018.32	7,282,819.44	5,588,408.18
Insurance Loss	0.00	4,500,000.00	0.00	4,500,000.00	0.00
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Total Expense	\$5,783,018.32	\$11,782,819.44	\$5,783,018.32	\$11,782,819.44	\$5,588,408.18
NET INCOME	<u>\$21,175,636.39</u>	<u>\$12,992,180.56</u>	<u>\$21,175,636.39</u>	<u>\$12,992,180.56</u>	<u>\$20,750,185.33</u>
Retained Earnings, Beginning of Year			<b>\$1,676,213,457.39</b>		\$1,672,030,178.22
Prior Year Adjustment			0.00		0.00
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As Restated			1,676,213,457.39		1,672,030,178.22
Net Income			21,175,636.39		20,750,185.33
			-----		-----
Dividends			1,697,389,093.78		1,692,780,363.55
			0.00		0.00
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Retained Earnings, Year To Date			<b>\$1,697,389,093.78</b>		<b>\$1,692,780,363.55</b>
			=====		=====

Comparative Analysis of NCUSIF Ratios for January 31, 2008

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	25.03%	21.45%	21.22%	21.45%
2. Ins. Loss/Total Income	468.99%	0.00%	0.00%	0.00%
3. Total Exp./Total Income	494.02%	21.45%	21.22%	21.45%
4. Net Income/Total Income	-394.02%	78.55%	78.78%	78.55%
5. Ins. Loss/Insured Shares	0.03%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**January 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES:

Income from investments	\$ 22,608,868.67
Other income received	77,622.39
Repayment of advances to credit unions (FCU Act §208)	-
Cash paid for operating expenses	(38,133,497.29)
Net cash (paid) received for insurance losses	<u>759,527.68</u>
Net cash provided by operating activities	<u>(14,687,478.55)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investments, net	(32,072,000.00)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>112,046.27</u>
Net cash provided by (used in) investing activities	<u>(31,959,953.73)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions (distributions) from insured credit unions Cont Cap acct	46,360,450.62
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(90,058.97)</u>
Net cash provided by financing activities	<u>46,270,391.65</u>

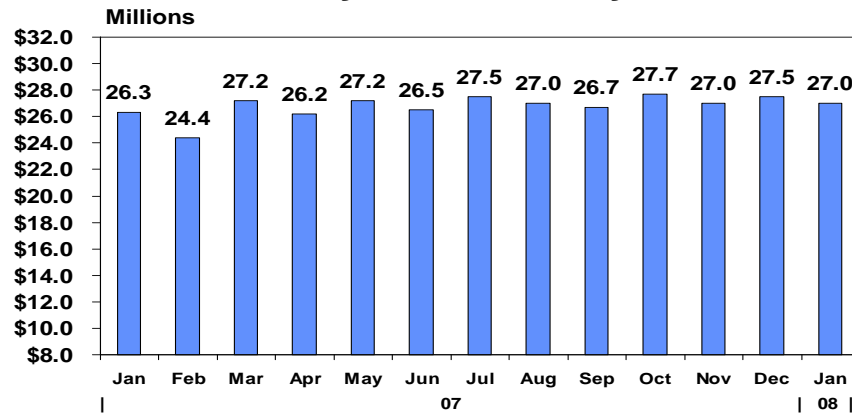
NET INCREASE (DECREASE) IN CASH (377,040.63)

CASH, BEGINNING OF YEAR 382,876.93

CASH, ENDING JANUARY 31, 2008 \$ 5,836.30

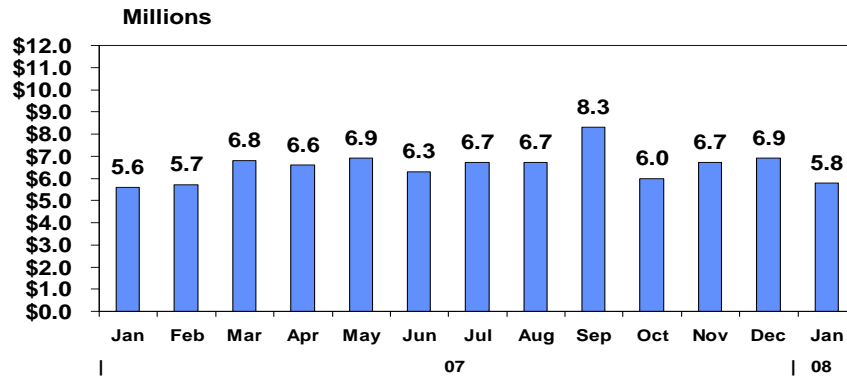
# GROSS INCOME

## January 07 – January 08



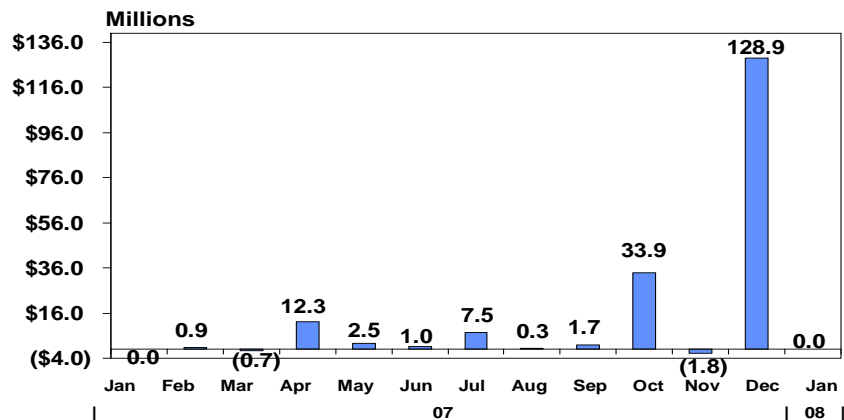
# OPERATING EXPENSE

## January 07 – January 08



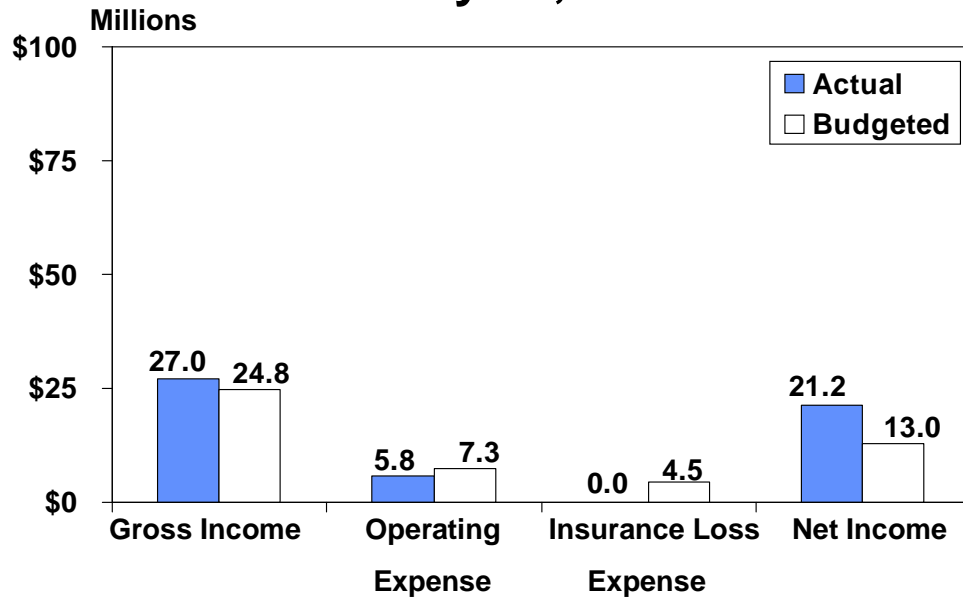
# INSURANCE LOSS EXPENSE

## January 07 – January 08



# REVENUE AND EXPENSE

January 31, 2008



# NCUSIF EQUITY RATIO

January 31, 2008

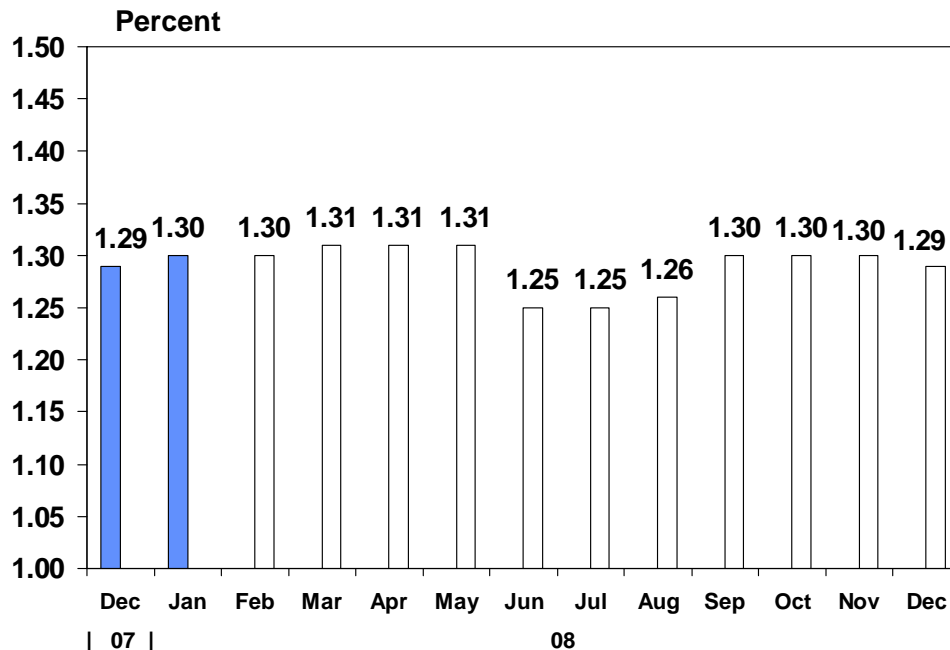
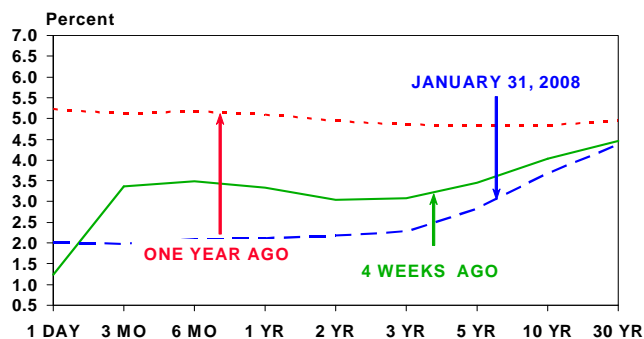


TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**January 31, 2008

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,423,505,000	\$1,423,505,000	\$0	100.00%	3.30%
U.S. Treasury Notes	\$5,976,606,670	\$6,215,140,625	\$238,533,955	103.99%	4.52%
TOTAL	\$7,400,111,670	\$7,638,645,625	\$238,533,955	103.22%	4.30%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY08 Projections	
Investment Yield	4.36%	4.30%	4.30%	3.98%	
Investment Income	\$27,405,858	\$26,881,032	\$26,881,032	\$296 Million	
Income Budgeted	\$26,000,000	\$24,700,000	\$24,700,000	\$296 Million	
Income/Budgeted Ratio	105.4%	108.8%	108.8%	100.00%	
Weighted Avg. Maturity in Days	595	567			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,873.5				
3 months - 1 year	1,350.0				
1 year - 2 years	1,800.0				
2 years - 3 years	1,000.0				
3 years - 4 years	800.0				
4 years - 5 years	600.0				
TOTAL	\$7,423.5				

**TREASURY YIELD CURVE****MATURITY SCHEDULE**

January 31, 2008

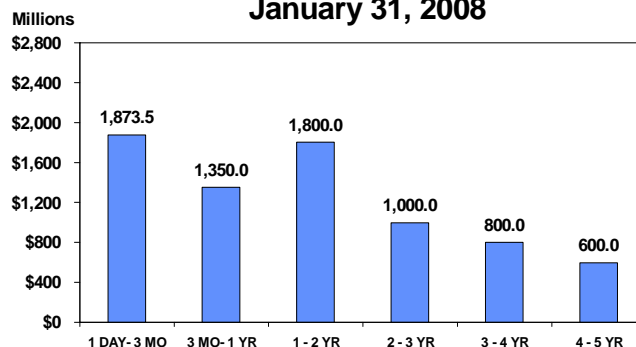




TABLE 5

**MONTHLY YIELD COMPARISONS**January 31, 2008

YIELD COMPARISONS								
	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
NCUSIF Yield	4.50%	4.49%	4.40%	4.50%	4.47%	4.39%	4.36%	4.30%
90 day T-Bill	4.82%	4.96%	4.01%	3.82%	3.94%	3.15%	3.36%	1.96%
1 year T-Bill	4.92%	4.85%	4.19%	4.05%	4.04%	3.26%	3.34%	2.11%
2 year T-Note	4.88%	4.56%	4.15%	3.97%	3.94%	3.04%	3.05%	2.17%
30 year T-Note	5.12%	4.92%	4.83%	4.83%	4.74%	4.40%	4.45%	4.35%

## YIELD COMPARISONS

### January 31, 2008

